GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:1274
ANSWERED ON:08.03.2002
IMPORT OF COTTON
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Will the Minister of TEXTILES be pleased to state:

(a) the figure of actual imports of cotton during the period October, 2000 to September, 2001 in comparison to past three years;

(b) the details of any surplus stockpile with procurement agencies;

(c) whether the heavy imports of cotton is a result of price crash in the international market between December, 2000 to December, 2001;

(d) if so, the details of comparable international prices;

(e) whether 10 percent import duty is adequate to protect the cotton farmers and the procurement agencies; and

(f) if not, the steps taken by the Government in this regard?

Answer

MINISTER OF STATE FOR TEXTILES (SHRI V. DHANANJAYA KUMAR)

(a) : Import of cotton during last four cotton years (October - September) is given in the following table:

(in lakh bales of 170 kgs.)

1997-98	1998-99	1999-2000	2000-2001
4.13	7.87	22.01	22.00

Source: Cotton Advisory Board.

(b): The closing stock at the end of 2000-01 cotton season was 29 lakh bales as estimated by the Cotton Advisory Board.

(c) & (d): Cotton is imported for various reasons including quality and price considerations. Price of cotton varies from variety to variety. The following table shows the comparison of domestic and international prices.

(in Rupees per candy)

	2000-01	2001-02 (upto January 2002)
Domestic Price (weighted average)	20,858	16,958
International Prices (weighted average)		
(landed price of imported cotton)	22,968	17,183

(e) & (f): After taking into account the requirement of the industry and the prevailing difference between the domestic and international

prices, Government hiked the customs duty on import of cotton from 5% to 10% with effect from 09.01.2002. The hike in duty would restrict undesired cotton imports. Moreover, the Cotton Corporation of India Ltd. (CCI) has undertaken support price operation, to protect the interests of the farmers, wherever market price of kapas (seed cotton) touched the Minimum Support Price (MSP) announced by the Government. During the current cotton season, upto 28.02.2002, CCI has purchased 38,63,837 quintals of kapas (equivalent to lint cotton of 7,25,344 bales of 170 kg. each) under support price operation.

Government has also launched the Technology Mission on Cotton to improve the productivity and quality of indigenous cotton.